

# **EXHIBIT NN**

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **October 8, 2015**

**MGT Capital Investments, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation)

**001-32698**

(Commission File Number)

**13-4148725**

(IRS Employer Identification No.)

**500 Mamaroneck Avenue, Suite 204, Harrison, NY 10528**

(Address of principal executive offices, including zip code)

**(914) 630-7431**

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 1.01 Entry into a Material Definitive Agreement.**

On October 8, 2015, MGT Capital Investments, Inc. (the “Company”) entered into separate subscription agreements (the “Subscription Agreement”) with accredited investors (the “Investors”) relating to the issuance and sale of \$700,000 of units (the “Units”) at a purchase price of \$0.25 per Unit, with each Unit consisting of one share (the “Shares”) of the Company’s common stock, par value \$0.001 per share (the “Common Stock”) and a three year warrant (the “Warrants”) to purchase two shares of Common Stock at an initial exercise price of \$0.25 per share (such sale and issuance, the “Private Placement”).

The Warrants are exercisable at a price of \$0.25 on the earlier of (i) one year from the date of issue or (ii) the occurrence of certain corporate events, including a private or public financing, subject to approval of the lead investor, in which the Company receives gross proceeds of at least \$7,500,000; a spinoff; one or more acquisitions or sales by the Company of certain assets approved by the stockholders of the Company; or a merger, consolidation, recapitalization, or reorganization approved by the stockholders of the Company (each, a “Qualifying Transaction”). The Warrants may be exercised by means of a “cashless exercise” following the four month anniversary of the date of issue, provided that the Company has consummated a Qualifying Transaction and there is no effective registration statement registering the resale of the shares of Common Stock underlying the Warrants (the “Warrant Shares”). The Company is prohibited from effecting an exercise of any Warrant to the extent that, as a result of any such exercise, the holder would beneficially own more than 4.99% of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of such Warrant, which beneficial ownership limitation may be increased by the holder up to, but not exceeding, 9.99%. The Warrants are also subject to certain adjustments upon certain actions by the Company as outlined in the Warrants.

Prior to receipt of Shareholder Approval as discussed below, the Warrants in the aggregate shall not be exercisable into more than 19.99% of the number of shares of Common Stock outstanding as of the closing date (the “Exercise Cap”). In order to permit the full exercise of the Warrants in accordance with applicable listing rules of the NYSE MKT, the Company agreed to hold a special meeting of shareholders (which may also be at the annual meeting of shareholders) for the purpose of obtaining shareholder approval for removal of the Exercise Cap (“Shareholder Approval”), with the recommendation of the Company’s Board of Directors that such proposal be approved (the “Proposal”). In connection with the Shareholder Approval, the Company entered into voting agreements (the “Voting Agreements”) with each of Robert Ladd, its Chief Executive Officer, President and a director, and Josh Silverman, a director, to vote their existing shares in favor of the Proposal. Mr. Silverman also purchased \$75,000 of Units in the Private Placement.

The Company has undertaken, pursuant to the Subscription Agreement, to file a registration statement to register the Shares and Warrant Shares (the “Registration Statement”) within 30 days following the closing and to use its best efforts to have the Registration Statement declared effective 60 days from the filing date. The Subscription Agreement also provides the Investors with a 50% right of participation in future securities offerings of the Company for a period of one year from the closing. The Company agreed not to issue new equity securities, subject to certain exceptions, without the approval of the lead investor for a period of five months from the closing and not to issue any securities pursuant to an at-the-market offering until the earlier of (i) the six month anniversary of the closing or (ii) such date as the closing price of the Common Stock is at least \$0.75 for five consecutive trading days and the Registration Statement has been declared effective.

The Subscription Agreement also contains other customary representations, warranties and agreements by the Company and the Investors. The representations, warranties and covenants contained in the Subscription Agreement were made only for purposes of such agreement and as of specific dates, were solely for the benefit of the parties to such agreement and may be subject to limitations agreed upon by the contracting parties.

The offering is being made pursuant to an exemption from registration under Section 4(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”).

The foregoing descriptions of the Subscription Agreement, the Warrants and the Voting Agreement are not complete and are qualified in their entireties by reference to the full text of the Form of Subscription Agreement, the Form of Common Stock Purchase Warrant and Form of Voting Agreement, copies of which are filed as Exhibit 10.1, Exhibit 10.2, and Exhibit 10.3, respectively, to this report and are incorporated by reference herein.

The Company issued a press release on October 9, 2015 announcing the transaction, which press release is attached as Exhibit 99.1 to this report.

### **Item 3.02 Unregistered Sales of Equity Securities**

On October 8, 2015, the Company issued the Units, consisting of the Shares and the Warrants, in exchange for aggregate gross proceeds of \$700,000. The details of this transaction are described in Item 1.01, which is incorporated by reference, in its entirety, into this Item 3.02.

The Units, the Shares and the Warrants have not been registered under the Securities Act, or the securities laws of any state, and were offered and issued in reliance on the exemption from registration under the Securities Act, afforded by Section 4(a)(2).

### **Item 9.01 Financial Statements and Exhibits.**

#### **(d) Exhibits**

- |      |                                       |
|------|---------------------------------------|
| 10.1 | Form of Subscription Agreement        |
| 10.2 | Form of Common Stock Purchase Warrant |
| 10.3 | Form of Voting Agreement              |
| 99.1 | Press Release dated October 9, 2015   |

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**MGT CAPITAL INVESTMENTS, INC.**

Date: October 9, 2015

By: /s/ Robert B. Ladd

Name: Robert B. Ladd

Title: President and Chief Executive Officer

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EX-99.1 5 v421842\_ex99-1.htm EXHIBIT 99.1

**Exhibit 99.1****MGT Capital Raises Capital as it Intensifies Focus on Shareholder Value**

**HARRISON, NY (October 9, 2015)** [MGT Capital Investments, Inc.](#) (NYSE MKT: MGT) announced today it has entered into agreements with several accredited investors providing \$700,000 of equity capital. The capital raise is comprised of the sale of 2.8 million Units, with each Unit consisting of one share of the Company's common stock, and a three-year warrant to purchase two shares of common stock.

The Warrants are exercisable at a price of \$0.25 per common share on the earlier of (i) one year from the date of issue or (ii) the occurrence of certain corporate events, including a private or public financing, subject to approval of the lead investor, in which the Company receives gross proceeds of at least \$7,500,000; a spinoff; one or more acquisitions or sales by the Company of certain assets approved by the stockholders of the Company; or a merger, consolidation, recapitalization, or reorganization approved by the stockholders of the Company.

The investment was led by Barry Honig, a private investor and a specialist in corporate finance. Mr. Honig is currently Co-Chairman and Chief Executive Officer of Majesco Entertainment Company (COOL), and was a former founder and Co-Chairman of interClick, which was acquired by Yahoo in 2011 for \$280 million. He was also the former Co-Chairman of ChromaDex Corporation (CDXC), and is a current Director and the largest investor in Pershing Gold Corporation (PGLC).

As recently reported, MGT closed the sale of its daily fantasy sports business and received approximately \$5.5 million of cash and securities in total consideration. "With MGT's further enhanced balance sheet and reduced cost structure, I believe the time is perfect to consider all methods to create value for shareholders," stated Robert Ladd, the Company's Chief Executive Officer.

The offering was made in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D, as promulgated by the United States Securities and Exchange Commission under the 1933 Act. The foregoing description of the offering is not complete and is qualified by reference to the full text of the transaction agreements, which are filed as Exhibits to the Company's Current Report on Form 8-K filed with the SEC on October 9, 2015.

**About MGT Capital Investments, Inc.**

MGT Capital and its subsidiaries own and operate social and real money gaming sites online and in the mobile space, including [MGTplay.com](#) and *SlotChamp*™. In addition, the Company owns intellectual property relating to slot machines and has asserted its claims via patent infringement lawsuits. MGT also has ownership stakes in DraftDay.com, a top daily fantasy sports wagering platform and Viggle Inc., operator of an online entertainment marketing and rewards platform with 10 million registered users.

**Forward-looking Statements**

This press release contains forward-looking statements. The words or phrases "would be," "will allow," "intends to," "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," or similar expressions are intended to identify "forward-looking statements." MGT's financial and operational results reflected above should not be construed by any means as representative of the current or future value of its common stock. All information set forth in this news release, except historical and factual information, represents forward-looking statements. This includes all statements about the Company's plans, beliefs, estimates and expectations. These statements are based on current estimates and projections, which involve certain risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. These risks and uncertainties include issues related to: rapidly changing technology and evolving standards in the industries in which the Company and its subsidiaries operate; the ability to obtain sufficient funding to continue operations, maintain adequate cash flow, profitably exploit new business, license and sign new agreements; the unpredictable nature of consumer preferences; and other factors set forth in the Company's most recently filed annual report and registration statement. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof. Readers should carefully review the risks and uncertainties described in other documents that the Company files from time to time with the U.S. Securities and Exchange Commission.

### **Company Contact**

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